



ASX CODE: CHK

TO: COMPANY ANNOUNCEMENTS OFFICE ASX LIMITED

DATE: 26 November 2018

**PYRAMID LAKE GYPSUM PROJECT SCOPING STUDY
DEMONSTRATES STRONG ECONOMIC CASE**

Cohiba Minerals Limited (ASX:CHK) ('the Company' or 'Cohiba Minerals') is pleased to announce that following a recent resource estimate it has completed a scoping study which demonstrates the potential for robust, profitable, long-term sales from its Pyramid Lake Gypsum deposit in Western Australia.

Scoping Study Parameters - Cautionary Statements

This Scoping Study has been undertaken to determine the potential viability of an open pit mine/quarry and associated gypsum processing plant constructed onsite at the Pyramid Lake Gypsum Project and to form a view of the order of magnitude potential and a basis on which to complete further studies. The Scoping Study has been prepared to an accuracy level of $\pm 20\%$. The results should not be considered a profit or production forecast.

The Scoping Study is a preliminary technical and economic study of the potential viability of the Pyramid Lake Gypsum Project. In accordance with the ASX Listing Rules, Cohiba Minerals advises it is based on low-level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further evaluation work will be undertaken to support our ability to estimate any ore reserves and to provide any assurance of an economic development case. This study does not warrant that reserves will be reported.

The total production target is based on Indicated resource exclusively. Cohiba Minerals has concluded that it has reasonable grounds for disclosing a production target.

The Scoping Study is based on the material assumptions outlined elsewhere in this announcement. While Cohiba Minerals considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range outcomes indicated in the Scoping Study, additional funding will likely be required. Investors should note that there is no certainty that Cohiba Minerals will be able to raise funding when needed. It is also possible that such funding may only be available on terms that dilute or otherwise affect the value of the Cohiba Minerals' existing shares.

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PRINCIPAL PLACE OF BUSINESS**

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Highlights of the Pyramid Lake Scoping Study

- A proposed 9-year production scenario for the Lake Pyramid gypsum project returned the following key findings:
 - CAPEX AUD\$1.2 million (b)
 - OPEX AUD\$6.30 /tonne (b)
 - Payback period of less than 2.5 years at an average ex-mine price of \$25 /tonne (c)
- Initial production rate of 50,000 tonnes, ramping up to 400,000 tonnes by year 9 (c).
- Mine life in excess of 10 years based on Indicated and Inferred Resources (a).
- Scoping study for Pyramid Lake gypsum project demonstrated potential for robust sales for ameliorating sodic soils, salinity, aluminium toxicity and calcium and sodium deficiencies.
- Independent studies showed the use of gypsum at 5 – 10 t/ha improved water use efficiency (WUE) in responsive soils resulting in crop yield increases up to 85% and returns of \$200 /ha over 4 years.
- Further studies of gypsum for aluminium toxicity showed that an annual application of 1 t/ha increased productivity and profitability markedly.

(a) See Appendix 1 (b) See Appendix 2 (c) See Appendix 3

Cohiba is pleased to announce that following a recent resource estimate it has completed a scoping study which demonstrated the potential for robust, profitable, long-term sales from its Pyramid Lake Gypsum deposit.

Cohiba Minerals Limited holds (100%) exploration licence E74/594, which covers all of Pyramid Lake in south-western Western Australia, for a total of 11,266 hectares or 112.66 km². Pyramid Lake itself is a relatively salt-lake covering 6,632 hectares located 115 kilometres northwest of the town of Esperance on the northern limit of the agricultural area (Figure 1).

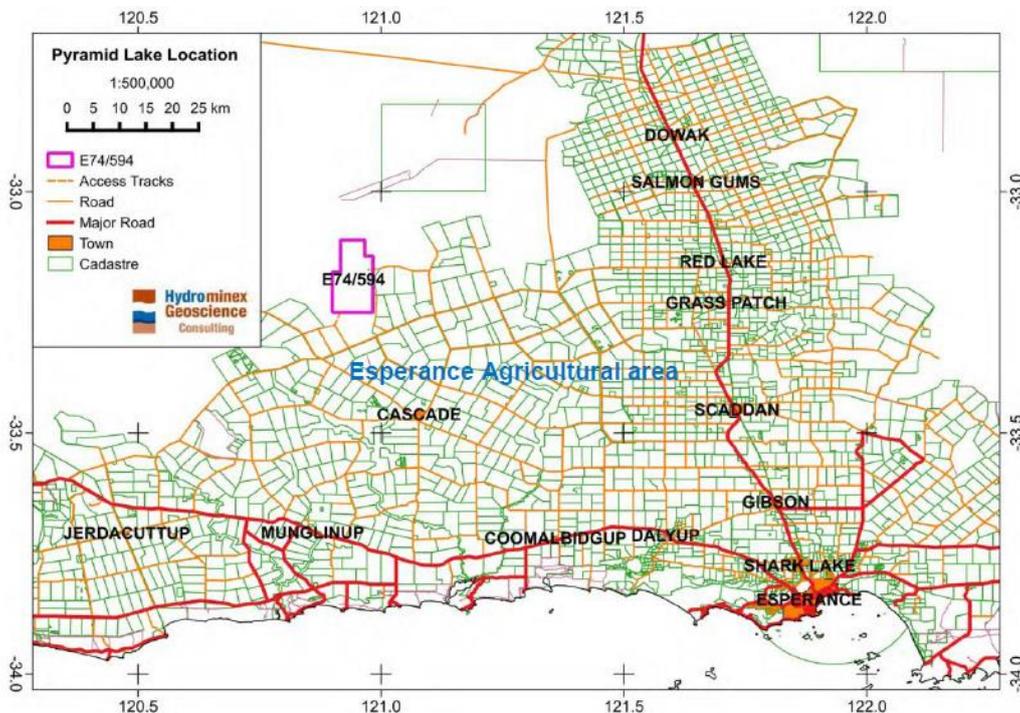


Figure 1: Location of Cohiba's Pyramid Lake Exploration Licence (from Hydrominex 2018).

Production Target - Further Cautionary Statement

It should be noted that over the proposed nine-year production plan it is projected that 2 Mt of gypsum will be sold. Under the current resource model 1.3 Mt is an indicated mineral resource and 2.6 Mt is an inferred mineral resource. This means that over the nine-year production model 35% (700,000 t) of the projected 2 Mt would be from the existing inferred mineral resource (as the resource model currently stands).

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

The scoping study showed that the uses for gypsum go well beyond the amelioration of sodic soils to include the amelioration of transient salinity, aluminium toxicity and calcium and sulphur deficiencies in subsoils, thereby markedly increasing its market potential.

In addition, the study showed that gypsum markedly improved water use efficiency (WUE) in responsive soils with 5 to 10 t/ha of gypsum increasing yield potential up to 85%, meaning that crop returns increased by almost \$200 /ha over a 4-year period.

The economics around these major agricultural issues were such that the Pyramid Lake gypsum can be readily applied to a broad geographic area which includes the southern portion of the Goldfields-Esperance region, through to the eastern-most portion of the Great Southern and Wheatbelt regions.

A production scenario was established for the Pyramid Lake gypsum which showed the potential for a 9-year model to deliver a Net Present Value (5% discount rate) of \$33.2 million and an Internal Rate of Return (IRR) of 104.7%, demonstrating the robustness of the project.

The production model and associated financial model showed that this could be achieved at a very modest capital investment (\$1.2 million) with a further moderate capital injection (\$0.6 million) in year 6 to accommodate plant and throughput expansion. The capital expenditure has been based largely on the acquisition of second-hand equipment with low operating hours to keep overall costs down.

The gypsum resource is situated at the surface (no overburden) as part of a major dune system. There is no requirement for drilling and blasting as the material can be “free-dug” from the dune system and due to the current sizing and the tendency of the gypsum to reduce further in size when handled there will also be no need for a crushing circuit. The process will comprise the following:

1. Loading and hauling – from the mine to the processing plant
2. Screening – at various sizes
3. Conveying – to various stockpiles
4. Loading to stockpile areas (with possibility of a bagging plant in the future)
5. Loading from stockpile to trucks for delivery to end-users

The majority of the gypsum will be sold as bulk tonnage for broad-acre applications. A brief investigation into bagged products was undertaken and it was determined that more work needed to be completed to determine the merits of generating bagged gypsum.

The proposed production model assumes that the plant and equipment are established and commissioned in the first year and bulk gypsum sales commence in the second year. Based on market enquiries and existing historical production and usage figures for the gypsum industry in Western Australia it was projected that 50,000 tonnes of gypsum could be sold by the end of year 2.

It was expected that sales would ramp up considerably, particularly given the size of the market, the growth potential and the ideal location of the Pyramid Lake gypsum deposit. It is proposed that sales will grow by 50,000 tonnes per annum for the first 4 years, culminating in 200,000 tonnes in year 5 (full year).

The mine (essentially a quarry) will have a very simple layout with the mining sequence being largely dictated to by the quality of the blocks identified in the resource model. There will be no tailings or waste storage facility with only oversize material from the screening plant being discarded by being placed back into the exhausted parts of the mine area.

Pyramid Lake Gypsum Project CAPEX

The estimated Capital Expenditure (CAPEX) for the Pyramid Lake Gypsum Project is outlined below. Where stated second hand equipment will be utilised to minimise overall costs. In year 6 an additional \$600,000 of capital will be invested to upgrade the screening plant and equipment to enable the production throughput to be increased in line with the sales forecast.

Capital Item	Cost (AUD\$)
Screening plant (100 tph) – second hand	\$400,000
Additional conveyors	\$40,000
Front end loader (second hand)	\$150,000
Articulated dump truck (second hand)	\$140,000
Loader to feed screening plant (second hand)	\$120,000
Product storage area (dome shelter)	\$130,000
Site office and amenities	\$45,000
Diesel genset + associated infrastructure	\$35,000
Diesel tanks + bunding	\$40,000
Spare screens + sundry items	\$25,000
Site fencing + security	\$35,000
Contingency costs	\$40,000
Total Estimated CAPEX	\$1,200,000

In year 6 an additional \$600,000 of CAPEX will be utilised.

Capital Item (Year 6)	Cost (AUD\$)
Screening plant upgrade to (150 tph) – second hand	\$200,000
Additional conveyors	\$30,000
Front end loader (upgrade + second hand)	\$100,000
Articulated dump truck (second hand)	\$140,000
Loader to feed screening plant (upgrade + second hand)	\$80,000
Product storage area extension (dome shelter)	\$50,000
Total Estimated CAPEX	\$600,000

Pyramid Lake Gypsum Project OPEX

The operating expenditure for the proposed Pyramid Lake Gypsum Project has been based on actual industry rates and represents an ex-gate operating cost (in AUD\$ per tonne). The gypsum at Pyramid Lake does not require drilling and blasting.

Operating Expense Area	Cost (AUD\$ per tonne)
Loading and Hauling	\$1.00
Fuel and lubricants (including fuel for power)	\$0.50
Screening	\$0.70
Labour and charges	\$2.25
Maintenance	\$0.50
General and administration	\$1.35
Total OPEX (AUD\$ / tonne)	\$6.30

Recommendations

The following recommendations are made in relation to the Pyramid Lake gypsum project to generate further confidence in the project and build project value.

1. **Detailed Marketing Study** – A more detailed marketing study should be undertaken to further undergird the work that has already been completed in relation to the size and nature of the existing gypsum markets within the target areas (i.e. southern portion of the Goldfields-Esperance region and through to the eastern-most portion of the Great Southern and Wheatbelt regions). This study should also include detailed information in relation to transport companies and the logistical aspects of the project.

2. **Collaborative Associations** – Establishment of links with credible research groups and agronomy service providers that are currently conducting investigations into the use of gypsum in a wide range of ameliorant applications such as the treatment of sodic clay soils (topsoil and subsoils), transient salinity in subsoils, aluminum toxicity in subsoils and calcium and Sulphur nutrient deficiencies.
3. **Processing Trials** – Some baseline screening trials should be undertaken to further understand the behavioural characteristics of the gypsum when processed as a bulk commodity. This will yield information pertaining to particle size and contaminant distribution.
4. **Full Feasibility Study** – A full feasibility study should be undertaken to ensure that the proposed establishment and production costs for the Pyramid Lake gypsum project are robust and able to support a Mining Lease application. This study should determine the exact costs (CAPEX and OPEX) for production of the Grade 2, Grade1 and Premium gypsum products (refinement of current model).

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Forward Looking Statements

Statements and material contained in this document, particularly those regarding possible or assumed future performance, resources or potential growth of Cohiba Minerals Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Such forecasts and information are not a guarantee of future performance and involve unknown risk and uncertainties, as well as other factors, many of which are beyond the control of Cohiba Minerals Limited. Information in this presentation has already been reported to the ASX.

Competent Persons Statement

All references to future production and production targets made in relation to Cohiba Minerals Pyramid Lake gypsum project are subject to the completion of all necessary feasibility studies, permit applications, construction, financing arrangements, and execution of infrastructure-related agreements. Where such a reference is made, it should be read subject to this paragraph and in conjunction with further information about the Mineral Resources and Ore Reserves, as well as the relevant competent persons' statements.

The information in this report that relates to Cohiba Minerals' Mineral Resources is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by Cohiba Minerals of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The information in this announcement that relates to Mineral Resources is extracted from the ASX Announcement titled, "PYRAMID LAKE, SOUTHWESTERN WA, MAIDEN AGRICULTURAL GYPSUM RESOURCE" dated 28 August 2018 which is available on the Cohiba Minerals Limited website at http://cohibaminerals.com.au/sites/cohibaminerals.com.au/files/180828_CHK_ASX_Pyramid%20Lake%20Resource_FINAL.pdf

Cohiba Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. Cohiba Minerals confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Notes to this Announcement

1. Accuracy on the Scoping Study numbers is +/- 30%.
2. All dollar values are in Australian dollars.
3. Mineral Resources quoted in this announcement are based on those included in Cohiba Minerals' ASX release dated 28 August 2018 - "PYRAMID LAKE, SOUTHWESTERN WA, MAIDEN AGRICULTURAL GYPSUM RESOURCE" and were prepared by a Competent Person in accordance with the requirements in Appendix 5A (JORC Code).

Appendix 1 – Pyramid Lake Gypsum Resource

The Pyramid Lake Gypsum Resource was presented in August 2018 by Hydrominex Geoscience Consulting in a report entitled, “Gypsum Resource Estimate and Results of Sampling on the Pyramid Lake Project, Western Australia” in which it issued a maiden gypsum resource statement. The maiden Indicated Resource comprises 1.3 Mt at 78% gypsum (CaSO₄.2H₂O), including Grade 1 and Premium gypsum within the central resource area, and an Inferred Resource containing 2.6 Mt at 67% gypsum, meeting Grade 2 agricultural requirements.

The details of the resource are attached in the tables below along with the Disclaimer from the Hydrominex report.

2018 Mineral Resource Estimate – Pyramid Lake gypsum deposit

Summary of the gypsum resource by depth (Hydrominex).

	Gypsum % grade 0-1 m	Tonnage 0-1 m	Gypsum % grade 1-2 m	Tonnage 1-2 m	Gypsum % grade 2-3 m	Tonnage 2-3 m
Section	Total Indicated resource		Inferred resources			
Northern Area	76.7	1,000,000	65	1,000,000	65	1,000,000
Central Area	83.5	230,000	78	230,000	75	230,000
Southern Area	72.6	70,000	68	70,000	65	70,000
Total area	77.7	1,300,000	67	1,300,000	67	1,300,000

Summary of the gypsum resource by resource classification – for a total of 3.9 Mt (Hydrominex)

	Gypsum % grade 0-1 m		Average Gypsum %grade 1-3 m	
	Tonnage 0-1 m		Tonnage 1-3 m	
Section	Total Indicated resource		Total Inferred resource	
Northern Area	76.7	1,000,000	65	2,000,000
Central Area	83.5	230,000	77	460,000
Southern Area	72.6	70,000	67	140,000
Total area	77.7	1,300,000	67	2,600,000

August 2018 Mineral Resource Estimate Notes:

- The Statement of Estimates of Mineral Resources has been compiled by Mr Murray Brooker who is a full-time employee of Hydrominex Geoscience consulting and a Member of the Australian Institute of Geoscientists. Mr Brooker has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).
- All Mineral Resources figures reported in the table above represent estimates at August 2018. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Ed).

Sensitivity Analysis

Potentially the largest sensitivity factor with regard to the resource estimation is the bulk density which is used to estimate the tonnage. An increase or decrease in bulk density would significantly impact the total tonnage. If the bulk density was increased to 1.5 (much more compact) this would increase the estimate to 4.5 Mt of gypsum, whereas a decrease to 1.1 would decrease the resource to 3.3 Mt.

Disclaimer (from Hydrominex Report, 2018)

This report was prepared at the request of Cohiba Minerals. Hydrominex/Murray Brooker does not make and expressly disclaims from making any representation or warranty to Third Parties – express or implied – regarding this report or the conclusions or opinions set out in this report (including without limitation any representation or warranty regarding the standard of care used in preparing this report, or that any forward-looking statements, forecasts, opinions or projections contained in the report will be achieved, will prove to be correct or are based on reasonable assumptions).

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In preparing this report, Hydrominex and Murray Brooker have relied heavily upon the sample results from the Intertek analytical laboratory. Hydrominex/Murray Brooker assume no responsibility for any consequences arising from any information or condition that was withheld, misrepresented, or otherwise not fully disclosed or available to Hydrominex/Murray Brooker. To the extent permitted by law, Hydrominex/Murray Brooker, exclude all warranties and representations relating to the report.

The ability to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond the control of Hydrominex/Murray Brooker and that Hydrominex/Murray Brooker cannot anticipate. These factors include, but are not limited to, site-specific hydrogeological and geological conditions, management and personnel capabilities, availability of funding, variations in cost elements and market conditions, developing and operating a mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

Competent Persons Statement

The information contained in this ASX release relating to Exploration Results and resources has been compiled by Mr Murray Brooker. Mr Brooker is a Geologist and Hydrogeologist and is a Member of the Australian Institute of Geoscientists (AIG). Mr Brooker has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Brooker is an employee of Hydrominex Geoscience Pty Ltd and an independent consultant to Cohiba Minerals Limited. Mr Brooker consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from the Pyramid Lake project.

Appendix 2 – Pyramid Lake Gypsum CAPEX and OPEX Estimation Ranges

Ranges used for CAPEX estimates:

Capital Item	Low Estimate	High Estimate	Estimate (AUD\$)
Screening plant (100 tph) – second hand	\$250,000	\$600,000	\$400,000
Additional conveyors	\$30,000	\$50,000	\$40,000
Front end loader (second hand)	\$125,000	\$175,000	\$150,000
Articulated dump truck (second hand)	\$120,000	\$160,000	\$140,000
Loader to feed screening plant (second hand)	\$100,000	\$140,000	\$120,000
Product storage area (dome shelter)	\$110,000	\$150,000	\$130,000
Site office and amenities	\$35,000	\$55,000	\$45,000
Diesel genset + associated infrastructure	\$25,000	\$45,000	\$35,000
Diesel tanks + bunding	\$35,000	\$50,000	\$40,000
Spare screens + sundry items	\$25,000	\$25,000	\$25,000
Site fencing + security	\$35,000	\$35,000	\$35,000
Contingency costs	\$30,000	\$50,000	\$40,000
Total Estimated CAPEX	\$920,000	\$1,535,000	\$1,200,000

Additional CAPEX in year 6 (plant upgrade):

Capital Item	Low Estimate	High Estimate	Estimate (AUD\$)
Screening plant upgrade to (150 tph) – 2nd hand	\$150,000	\$250,000	\$200,000
Additional conveyors	\$20,000	\$40,000	\$30,000
Front end loader (upgrade + second hand)	\$85,000	\$115,000	\$100,000
Articulated dump truck (second hand)	\$120,000	\$160,000	\$140,000
Loader to feed screening plant (upgrade)	\$60,000	\$100,000	\$80,000
Product storage area extension (dome shelter)	\$40,000	\$60,000	\$50,000
Total Estimated CAPEX	\$475,000	\$725,000	\$600,000

The values in the CAPEX tables are based on the information from a Scoping Study on the Pyramid Lake gypsum deposit that was completed in October 2018.

Ranges used for OPEX estimates:

Operating Expense Area	Low Rate (\$/t)	High Rate (\$/t)	Estimate (\$/t)
Loading and Hauling	\$0.80	\$1.50	\$1.00
Fuels and lubricants (including fuel for power)	\$0.40	\$0.60	\$0.50
Screening	\$0.50	\$0.80	\$0.70
Labour and charges	\$1.85	\$2.75	\$2.25
Maintenance	\$0.40	\$0.60	\$0.50
General and Administration	\$1.00	\$1.50	\$1.35
Total OPEX (AUD\$/t)	\$4.95	\$7.75	\$6.30

The values in the OPEX table above are based on the information from a Scoping Study on the Pyramid Lake gypsum deposit that was completed in October 2018.

Appendix 3 – Pyramid Lake Gypsum Project – Sensitivity Analyses on Payback Period

Capital Expenditure (CAPEX):

Capital Costs Variation (%)	Payback Period (Years)
-20%	2.25
-10%	2.35
0%	2.46
10%	2.56
20%	2.66

Operating Expenditure (OPEX):

Operating Costs Variation (%)	Payback Period (Years)
-20%	2.39
-10%	2.42
0%	2.46
10%	2.49
20%	2.53

Gypsum Price:

Gypsum Price Variation (%)	Payback Period (Years)
-20%	2.84
-10%	2.62
0%	2.46
10%	2.33
20%	2.23

Sales tonnage variation:

Gypsum Price Variation (%)	Payback Period (Years)
-20%	2.80
-10%	2.63
0%	2.46
10%	2.29
20%	2.12

The sales tonnage variation is based on the first 3 years of operation recognising that the plant construction and commissioning will take place in year 1 and the sales will commence at the beginning of year 2. Given that the plant and equipment will be “off the shelf” there is a strong likelihood that the production will commence in the second half of year 1 but this has been discounted for the sake of this production proposal.

Appendix 4 – Material Assumptions and Modifying Factors

Sampling Techniques

- Undertaken on EW oriented lines separated by 200 m in a NS direction
- Samples taken every 25 m along the sample lines.
- Duplicate samples were analysed at both primary (5 duplicates) and secondary laboratories (10 duplicates).
- Samples were acquired by hand auger (Total of 109 holes up to 3 m below surface).
- Samples were collected for each 1 m interval by homogenising the sample and retrieving a representative sample of the whole interval at 1 m intervals.
- A total of 150 samples were taken, including the duplicates.
- Photographs were taken of all the samples
- All the sediments were logged for each hole.
- Samples were sieved at both the primary laboratory (Intertek) and the secondary laboratory (Intertek) to divide the size classes of material > 5.6 mm, 2 to 5.6 mm and < 2 mm in size for gypsum quality determination.
- Analyses were completed for 150 primary samples for gypsum content.
- Assays were undertaken to determine gypsum content and concentrations of impurities.
- The quality of the assays and variability in the results was evaluated.
- The resource estimation was undertaken using the results of the sampling and the outline of the dune system.

Resource Estimation Assumptions and Factors

- Polygons were digitised for the outlines of the dune system, as defined by sampling results and as observed in satellite imagery.
- Three separate resource areas were identified, separated by narrow areas with low gypsum grades and breaks in the dune system.
- The resource was estimated on 1 m thick slices, with different gypsum grades applied to each of the 1 m volumes.
- The volume of each 1 m thick slice was calculated in MapInfo software within the polygons created, with a 1 m thickness applied.
- Resource blocks with dimensions of 50 east-west, 50 north-south and 1 m vertically were used in the estimate.
- The bulk density applied to the friable gypsum material was assumed as 1.3 g/cc - which is based on information from other gypsum projects.
- The mineral density of gypsum material is 2.36, and in this friable loosely packed medium to coarse grained gypsum the bulk density is much less than the mineral density.
- The density applied to convert the volumes to tonnages is likely to be the most sensitive parameter in the estimation and no site-specific density measurements are available.
- Bulk density is likely to increase with depth, due to compaction but no attempt has been made to take account of this factor.
- The tonnage estimate is the product of the area within the polygons, the thickness of the individual 1 m layers and the bulk density.
- The gypsum grade corresponding to this volume was estimate by an ordinary kriging methodology within each of the polygon areas separately for the 0-1 m samples.
- Results were estimated into 50 x 50 x 1 m resource blocks.
- The total resource was calculated by summing the results for each 1 m interval to produce the total resource tonnage and grade.

Mining and Processing Assumptions and Factors

- The mineral resource is indicated and inferred (35% of nine-year production model was from inferred resource).
- The gypsum is outcropping and as such is easy to trace at the surface.
- There is no or very little overburden present in the system
- The gypsum is “free-diggable” meaning that no drilling and blasting is required.
- The height and thickness of the dune system is approximately 3 m.
- The dune system (as sampled) has a length of approximately 6.2 km.
- The northern portion has greater tonnes but generally lower grades.
- Gypsum grades are highest in the west and central sections of the dune system.
- Mining dilution will be <5%.
- Mining recovery will be >95%.
- Processing will be via standard screening.
- Screening of gypsum in a mining operation is likely to result in additional fragmentation of gypsum grains, reducing the grainsize from the natural grainsize.
- The plant will be able to operate all year round.

Environmental Assumptions and Factors

- Native Title factors have not been considered for this project.
- A Mining Proposal and Mine Closure Plan has yet to be submitted to the WA Government.

Marketing Assumptions and Factors

- A full marketing study has not yet been finalised, but the markets have been well studied.
- Existing gypsum markets will continue to grow in view of new supporting research.
- Transport costs will remain relatively static allowing the gypsum to gain solid market penetration.
- Gypsum prices remain flat or increase over the nine-year proposed production plan.
- Independent research has been accurate in its assessment of the need to increase gypsum applications within Western Australia.

Corporate Assumptions and Factors

- The company has sufficient funds, access to funds or the capability to raise funds to take the Pyramid Lake gypsum project into production.
- The company has the necessary expertise to develop the project.